

HOUSE BILL 1777

By Rowland

AN ACT to amend Tennessee Code Annotated, Section 67-8-316, relative to estate and inheritance taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-8-316, is amended by adding the following language as a new subsection (c), and by designating present subsection (c) as subsection (d):

(c) For the sole purpose of determining the net taxable estate under this part and part 4 of this chapter, there shall be allowed against the net estate a maximum single exemption against that portion of the estate distributable to one (1) or more beneficiaries of an amount to be determined by the following schedule:

In the case of a decedent dying:	Amount
On or after January 1, 2005, but before July 1, 2005	950,000
On or after July 1, 2005, but before January 1, 2006	1,000,000
In 2006 and thereafter	2,000,000

Effective July 1, 2005, the decedent has the right to distribute fifty percent (50%) of his or her maximum single exemption to one (1) or more beneficiaries before death, and without having to pay any estate taxes, so long as the decedent is over the age of sixty-five (65) years on the day of distribution and the beneficiaries are a child, a grandchild, or both.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.